

Foreign and domestic travelers are not exempt from Use Tax liability for purchases of merchandise at retail within the State of Illinois. See 86 Ill. Adm. Code 130.605. (This is a GIL.)

July 13, 2007

Dear Xxxxx:

We are writing to you at the request of PERSON in response to his letter dated June 20, 2007, in which he requests information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at [www.ILTAX.com](http://www.ILTAX.com) to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of PERSON's inquiry and the information he has provided require that we respond with a GIL. In his letter, PERSON stated and made inquiry as follows:

I am writing to ask you for your help with my tax refund. I purchased two watches at Macy's on June 17, 2007. Please refer to the copy of receipt at the back of this page.

When I purchased, I asked the service person, (business card attached), if I can have a certificate of the purchase for tax refund because I am a visitor and I will take the watches to China. He told me the purchase receipt is the certificate and he was for sure I could get the tax refund in Chicago Airport. When he told me this, my one friend and one of his colleague [sic] were there.

Today, I am in the airport leaving for China. However I can not get my tax refund here. I call 1-800-732-8866 for help, she advises me to write a letter to you for help.

I am looking forward to your attention and reply. Thank you.

Please contact or reply to my friend at: #

**DEPARTMENT'S RESPONSE:**

The Illinois Retailers' Occupation Tax Act imposes a tax upon persons engaged in this State in the business of selling tangible personal property to purchasers for use or consumption. The tax is measured by the seller's gross receipts from such sales made in the course of such business. See 86 Ill. Adm. Code 130.101. In Illinois, Use Tax is imposed on the privilege of using, in this State, any kind of tangible personal property that is purchased anywhere at retail from a retailer. See 86 Ill. Adm. Code 150.101. Mere possession in Illinois is considered a use. Consequently, if the purchases occur in Illinois, the purchasers must pay the Use Tax to the retailer. Please note that a sale is taxable even though a purchaser that receives physical possession of the property in this State immediately transports the property out of this State for use outside the State. See 86 Ill. Adm. Code 130.605(a)(2). The State of Illinois has no specific exemption for purchases by foreign or domestic travelers where the property is delivered and used in Illinois.

However, when a sale is conducted in which the seller is obligated, under the terms of an agreement with the purchaser, to make delivery of the property from a point in this State to a point outside this State, not to be returned to this State, provided that such delivery is actually made, the gross receipts are not subject to tax. See subsection (b) of 86 Ill. Adm. Code 130.605. For example, the exemption would apply when a seller makes delivery in Illinois to a freight forwarder who handles the arrangements for the property to be delivered outside the United States, not to be returned to the United States. Please note that the result would be different, and Use Tax would be imposed, if the purchaser received or picked up the goods prior to delivery to a freight forwarder. Based upon the information you provided, none of the items that were purchased would qualify for this exemption since they were all received by you in this State.

I hope this information is helpful. If you require additional information, please visit our website at [www.ILTAX.com](http://www.ILTAX.com) or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Sincerely,

Samuel J. Moore  
Associate Counsel

SJM:msk